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8 Attorneys for Complainant

9
10 **BEFORE THE**
CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS
11 **STATE OF CALIFORNIA**

12 In the Matter of the Accusation Against:

Case No. AC-2007-47

13 LOWELL D. SNEATHEN
1450 N. Tustin Avenue, Suite 227
14 Santa Ana, CA 92705

**STIPULATED SETTLEMENT AND
DISCIPLINARY ORDER**

15 Certified Public Accountant Certificate No.
12023

16
17 Respondent.

18 IT IS HEREBY STIPULATED AND AGREED by and between the parties to the
19 above-entitled proceedings that the following matters are true:

20 PARTIES

21 1. Carol Sigmann (Complainant) is the Executive Officer of the California
22 Board of Accountancy. She brought this action solely in her official capacity and is represented
23 in this matter by Edmund G. Brown Jr., Attorney General of the State of California, by
24 Antoinette B. Cincotta, Deputy Attorney General.

25 2. Respondent Lowell D. Sneathen, (Respondent) is representing himself in
26 this proceeding and has chosen not to exercise his right to be represented by counsel.

27 3. On or about October 16, 1965, the California Board of Accountancy issued
28 Certified Public Accountant Certificate No. 12023 to Lowell D. Sneathen (Respondent). The

1 certified public accountant certificate was in full force and effect at all times relevant to the
2 charges brought in Accusation No. AC-2007-47 and will expire on January 31, 2009, unless
3 renewed.

4 JURISDICTION

5 4. On or about July 24, 2007, Accusation No. AC-2007-47 was filed before
6 the California Board of Accountancy (Board), Department of Consumer Affairs, and is currently
7 pending against Respondent. The Accusation and all other statutorily required documents were
8 properly served on Respondent on July 30, 2007. Respondent timely filed his Notice of Defense
9 contesting the Accusation. A copy of Accusation No. AC-2007-47 is attached as Exhibit A and
10 incorporated herein by reference.

11 ADVISEMENT AND WAIVERS

12 5. Respondent has carefully read, and understands the charges and allegations
13 in Accusation No. AC-2007-47. Respondent has also carefully read, and understands the effects
14 of this Stipulated Settlement and Disciplinary Order.

15 6. Respondent is fully aware of his legal rights in this matter, including the
16 right to a hearing on the charges and allegations in the Accusation; the right to be represented by
17 counsel at his own expense; the right to confront and cross-examine the witnesses against him;
18 the right to present evidence and to testify on his own behalf; the right to the issuance of
19 subpoenas to compel the attendance of witnesses and the production of documents; the right to
20 reconsideration and court review of an adverse decision; and all other rights accorded by the
21 California Administrative Procedure Act and other applicable laws.

22 7. Respondent voluntarily, knowingly, and intelligently waives and gives up
23 each and every right set forth above.

24 CULPABILITY

25 8. Respondent admits the truth of each and every charge and allegation in
26 Accusation No. AC-2007-47.

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9. Respondent agrees that his certified public accountant certificate is subject to discipline and he agrees to be bound by the California Board of Accountancy (Board)'s imposition of discipline as set forth in the Disciplinary Order below.

CONTINGENCY

10. This stipulation shall be subject to approval by the California Board of Accountancy. Respondent understands and agrees that counsel for Complainant and the staff of the California Board of Accountancy may communicate directly with the Board regarding this stipulation and settlement, without notice to or participation by Respondent. By signing the stipulation, Respondent understands and agrees that he may not withdraw his agreement or seek to rescind the stipulation prior to the time the Board considers and acts upon it. If the Board fails to adopt this stipulation as its Decision and Order, the Stipulated Settlement and Disciplinary Order shall be of no force or effect, except for this paragraph, it shall be inadmissible in any legal action between the parties, and the Board shall not be disqualified from further action by having considered this matter.

11. The parties understand and agree that facsimile copies of this Stipulated Settlement and Disciplinary Order, including facsimile signatures thereto, shall have the same force and effect as the originals.

12. In consideration of the foregoing admissions and stipulations, the parties agree that the Board may, without further notice or formal proceeding, issue and enter the following Disciplinary Order:

DISCIPLINARY ORDER

IT IS HEREBY ORDERED that Certified Public Accountant Certificate No. 12023 issued to Lowell D. Sneathen (Respondent) is revoked. However, the revocation is stayed and Respondent is placed on probation for three (3) years on the following terms and conditions:

1. **Obey All Laws.** Respondent shall obey all federal, California, other states' and local laws, including those rules relating to the practice of public accountancy in California.

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1 2. **Submit Written Reports.** Respondent shall submit, within ten (10) days
2 of completion of the quarter, written reports to the Board on a form obtained from the Board.
3 The Respondent shall submit, under penalty of perjury, such other written reports, declarations,
4 and verification of actions as are required. These declarations shall contain statements relative to
5 Respondent's compliance with all the terms and conditions of probation. Respondent shall
6 immediately execute all release of information forms as may be required by the Board or its
7 representatives.

8 3. **Personal Appearances.** Respondent shall, during the period of probation,
9 appear in person at interviews/meetings as directed by the Board or its designated
10 representatives, provided such notification is accomplished in a timely manner.

11 4. **Comply With Probation.** Respondent shall fully comply with the terms
12 and conditions of the probation imposed by the Board and shall cooperate fully with
13 representatives of the Board of Accountancy in its monitoring and investigation of the
14 Respondent's compliance with probation terms and conditions.

15 5. **Practice Investigation.** Respondent shall be subject to, and shall permit,
16 practice investigation of the Respondent's professional practice. Such a practice investigation
17 shall be conducted by representatives of the Board, provided notification of such review is
18 accomplished in a timely manner.

19 6. **Comply With Citations.** Respondent shall comply with all final orders
20 resulting from citations issued by the Board of Accountancy.

21 7. **Tolling of Probation For Out-of-State Residence/Practice.** In the event
22 Respondent should leave California to reside or practice outside this state, Respondent must
23 notify the Board in writing of the dates of departure and return. Periods of non-California
24 residency or practice outside the state shall not apply to reduction of the probationary period, or
25 of any suspension. No obligation imposed herein, including requirements to file written reports,
26 reimburse the Board costs, or make restitution to consumers, shall be suspended or otherwise
27 affected by such periods of out-of-state residency or practice except at the written direction of the
28 Board.

1 8. **Cost Reimbursement.** Respondent shall reimburse the Board \$2,485.00
2 for its investigation and prosecution costs. The payment shall be made in quarterly payments due
3 with quarterly written reports with the final payment being due one year before probation is
4 scheduled to terminate.

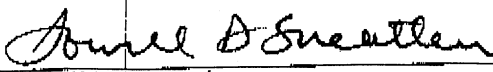
5 9. **Violation of Probation.** If Respondent violates probation in any respect,
6 the Board, after giving Respondent notice and an opportunity to be heard, may revoke probation
7 and carry out the disciplinary order that was stayed. If an accusation or a petition to revoke
8 probation is filed against Respondent during probation, the Board shall have continuing
9 jurisdiction until the matter is final, and the period of probation shall be extended until the matter
10 is final.

11 10. **Completion of Probation.** Upon successful completion of probation,
12 Respondent's license will be fully restored.

13 ACCEPTANCE

14 I have carefully read the Stipulated Settlement and Disciplinary Order. I
15 understand the stipulation and the effect it will have on my certified public accountant certificate.
16 I enter into this Stipulated Settlement and Disciplinary Order voluntarily, knowingly, and
17 intelligently, and agree to be bound by the Decision and Order of the California Board of
18 Accountancy.

19 DATED: 12-19-07

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22 Lowell D. Sneathen
Respondent

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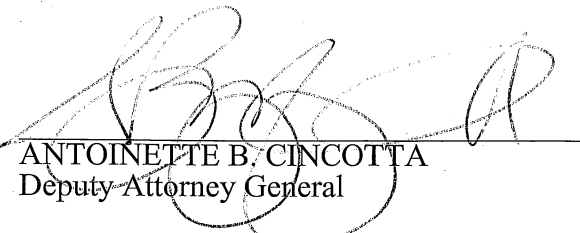
ENDORSEMENT

The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully submitted for consideration by the California Board of Accountancy of the Department of Consumer Affairs.

DATED: 12/20/2007

EDMUND G. BROWN JR., Attorney General
of the State of California

LINDA K. SCHNEIDER
Supervising Deputy Attorney General



ANTOINETTE B. CINCOTTA
Deputy Attorney General

Attorneys for Complainant

DOJ Matter ID: SD2007801499
80182133.wpd

**BEFORE THE
CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA**

In the Matter of the Accusation Against:

LOWELL D. SNEATHEN
1450 N. Tustin Avenue, Suite 227
Santa Ana, CA 92705

Certified Public Accountant Certificate No.
12023

Respondent.

Case No. AC-2007-47

DECISION AND ORDER

The attached Stipulated Settlement and Disciplinary Order is hereby adopted by the California Board of Accountancy, Department of Consumer Affairs, as its Decision in this matter.

This Decision shall become effective on February 24, 2008.

It is so ORDERED January 25, 2008.


FOR THE CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS

Exhibit A

Accusation No. AC-2007-47

1 EDMUND G. BROWN JR., Attorney General
of the State of California
2 LINDA K. SCHNEIDER
Supervising Deputy Attorney General
3 ANTOINETTE B. CINCOTTA, State Bar No. 120482
Deputy Attorney General
4 California Department of Justice
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8 Attorneys for Complainant,
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10 **BEFORE THE**
CALIFORNIA BOARD OF ACCOUNTANCY
11 **DEPARTMENT OF CONSUMER AFFAIRS**
12 **STATE OF CALIFORNIA**

13 In the Matter of the Accusation Against:

Case No. AC-2007-47

14 LOWELL D. SNEATHEN
1450 N. Tustin Avenue, Suite 227
15 Santa Ana, CA 92701

A C C U S A T I O N

16 Certified Public Accountant Certificate No.
12023

17 Respondent.
18

19 Complainant alleges:

20 **PARTIES**

21 1. Carol Sigmann ("Complainant") brings this Accusation solely in her
22 official capacity as the Executive Officer of the California Board of Accountancy, Department of
23 Consumer Affairs ("Board").

24 2. On or about October 16, 1965, the Board issued Certified Public
25 Accountant Certificate No. 12023 to Lowell D. Sneathen (Respondent). The CPA certificate was
26 in full force and effect at all times relevant to the charges brought herein and will expire on
27 January 31, 2009, unless renewed.

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JURISDICTION

3. This Accusation is brought before the Board, under the authority of the following laws. All section references are to the Business and Professions Code unless otherwise indicated.

4. Section 5100 states:

"After notice and hearing the board may revoke, suspend, or refuse to renew any permit or certificate granted under Article 4 (commencing with Section 5070) and Article 5 (commencing with Section 5080), or may censure the holder of that permit or certificate for unprofessional conduct that includes, but is not limited to, one or any combination of the following causes:

". . . .

"(h) Suspension or revocation of the right to practice before any governmental body or agency. . . ."

5. Section 5063 requires a licensee to report in writing to the Board within 30 days the cancellation, revocation, or suspension of a certificate or refusal to renew a certificate to practice as a certified public accountant or a public accountant, by any other state or foreign country, and the cancellation, revocation, or suspension of the right to practice as a certified public accountant or a public accountant before any governmental body or agency.

6. Section 5107 states:

"(a) The executive officer of the board may request the administrative law judge, as part of the proposed decision in a disciplinary proceeding, to direct any holder of a permit or certificate found to have committed a violation or violations of this chapter to pay to the board all reasonable costs of investigation and prosecution of the case, including, but not limited to, attorneys' fees. The board shall not recover costs incurred at the administrative hearing.

"(b) A certified copy of the actual costs, or a good faith estimate of costs where actual costs are not available, signed by the executive officer, shall be prima facie evidence of reasonable costs of investigation and prosecution of the case.

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1 FIRST CAUSE FOR DISCIPLINE

2 (Suspension by Governmental Agency)

3 7. Respondent is subject to disciplinary action under section 5100(h) in that
4 Respondent was suspended indefinitely from practice before the Internal Revenue Service
5 ("IRS") beginning on or about January 18, 2006. The circumstances are as follows:

6 8. On or about December 1, 2005, the IRS notified Respondent via letter that
7 it was seeking discipline against him. The letter stated in pertinent part:

8 A review of your tax filing history reveals you failed to timely file your
9 Employer's quarterly federal tax returns (Form 941) for the periods ending March
10 2000, June 2000, September 2000, December 2000, March 2001, June 2001,
11 September 2001, March 2002, June 2002, September 2002, December 2002,
12 March 2003, June 2003, and June 2004. Your transcript of accounts reveals that
13 the IRS secured your returns for all quarters of 2000, March 2001, June 2001,
14 March 2002, June 2002, and September 2002. Further, for tax years 2000, 2001,
15 2002, 2003, and 2004, you have had penalties assessed against you for
16 delinquency, failure to deposit, and failure to pay. In addition, for tax years 2000,
17 2001, and 2002 you have an outstanding balance and interest due.

18 The above pattern of non-compliance on your business returns suggests violations
19 of section 10.51(f) of Circular 230.

20 Disreputable conduct for which a practitioner may be censured, suspended,
21 or disbarred from practice before the Internal Revenue Service includes
22 section 10.51(f), 'willfully failing to make a Federal tax return in violation
23 of the revenue laws of the United States, willfully evading, attempting to
24 evade, or participating in any way in evading or attempting to evade any
25 assessment or payment of any Federal tax, or knowingly counseling or
26 suggesting to a client or prospective client an illegal plan to evade Federal
27 taxes or payment thereof.'

28 9. Respondent signed an Offer of Consent of Suspension before the IRS
dated January 10, 2006. The IRS accepted Respondent's offer in a letter dated January 10, 2006.
The letter stated that Respondent's suspension would begin January 18, 2006, and that
Respondent would be eligible to petition for reinstatement after seventeen months. Respondent
did not report his suspension to the Board.

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